Trade Protectionist Measures by U.S.

339. SHRI CHATURANAN MISHRA :
SHRI N. E. BALARAM :

Will the Minister of COMMERCE be pleased to state what are the trade protectionist measures resorted by the US Government and how it affects the developing countries in general and India in particular ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : A general protectionist trend has been discerned in some developed countries including the U.S. Protectionist measures have taken the form of restrictions on imports like quotas on textiles, clothing and certain agricultural items and a large number of anti dumping and countervailing duty investigations. Such measures inhibit the exports of developing countries, including India.

340. [*Transferred to 8th December,* 1993.]

Approval of NAFTA

341. SHRI N. E. BALARAM :
SHRI N. GIRI PRASAD

Will the Minister of COMMERCE be pleased to state :

(a) whether Government's attention has been drawn to the approval of the North American Free Trade Agreement (NAFTA) by the US House of Representatives ;

(b) if so, the details thereof; and

(c) what will be its impact on India's trade prospects ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) to (c) Yes, Sir. The United States, Canada and Mexico have joined to form a Free Trade Area which will be operationalized over a period of 10—15 years. The North American Free Trade Agreement (NAFTA) was signed in August 1992, and is expected to come into force from 1st January, 1994 after ratification. The agreement covers trade in goods and services, investments and intellectual property right.

Our major market in North America is the United States. As Canada and Mexico do not directly compete with our major exports to the US., it not anticipated that there will be any immediate adverse implications for India's exports.

Trading Blocks

342. SHRI N. E. BALARAM :
SHRI N. GIRI PRASAD :

Will the Minister of COMMERCE be pleased to state :

(a) whether, it is a fact that the world appears to be splitting into three trading blocks—the European Economic Community, the North American Free Trade Agreement (NAFTA) comprising the US, Mexico and Canada and lately Asia-Pecific Economic Cooperation (APEC)—but India and its South Asain neighbours are not members of any of the blocks; and

(b) if so, the deatials thereof and government's reaction thereto ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) and (b) Although the multilateral trading system based on the General Agreement on Tariffs and Trade (GATT) remains intact, the EEC is moving towards greater integration and a larger membership, and NAFTA has been formed with a trade liberalization programme spanning 10—15 years. APE covering the Asia Pacific region, is so far a forum for dialogue and consultation on trade liberalisation and not a trading bloc. India and its South Asian neighbours are not members of any of these trading blocs India is a member of one global preferential trading arrangement, the Global System of Trade Preferences (GSTP), which is open to the members of the G-77 and one regional preferential trading arrangement, popularly known as the Bangkok Agreement which is open to all developing countries of the ESCAP region. Recently India has become a member of the South Asia Preferential Trading Arrangement (SAPTA) alongwith Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives. The SAPTA has yet to become operational.